

SECOND REGULAR SESSION

[P E R F E C T E D]

SENATE SUBSTITUTE FOR

SENATE BILL NO. 691

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WASSON.

Offered March 10, 2014.

Senate Substitute adopted, March 10, 2014.

Taken up for Perfection March 10, 2014. Bill declared Perfected and Ordered Printed.

TERRY L. SPIELER, Secretary.

4366S.02P

AN ACT

To amend chapter 379, RSMo, by adding thereto one new section relating to sinkhole insurance coverage for property damage caused by sinkhole activity.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 379, RSMo, is amended by adding thereto one new
2 section, to be known as section 379.827, to read as follows:

379.827. 1. As used in this section, the term "sinkhole loss" means
2 **actual physical damage to a building or property within, arising out of,**
3 **or caused by sudden settlement or collapse of the earth supporting the**
4 **building, and only when the sudden settlement or collapse results**
5 **directly from subterranean voids created by the action of water on**
6 **limestone or similar rock formation and is evidenced by:**

7 (1) **The abrupt collapse of the ground cover;**

8 (2) **A depression in the ground cover clearly visible to the naked**
9 **eye;**

10 (3) **Structural damage to the covered building, including the**
11 **foundation; and**

12 (4) **The insured structure is uninhabitable, which is evidenced**
13 **by an order of condemnation by a governmental agency authorized to**
14 **issue such an order for that structure.**

15 2. **Upon application, the plan may issue a policy exclusively for**
16 **sinkhole loss on habitational property owned by the applicant in**
17 **accordance with this section to supplement the applicant's primary**

18 coverage for casualty loss on such property issued by an insurer
19 authorized to do business in this state. Coverage shall be only for
20 habitational structures and shall not cover driveways or
21 nonhabitational detached structures. Contents coverage shall apply
22 only if there is covered sinkhole loss on the habitational structure in
23 which the contents were located. Sinkhole coverage under this section
24 shall not include loss for the value of the land or for the costs
25 associated with filling a sinkhole.

26 3. The provisions of section 379.810 to 379.880 shall apply to
27 policies issued under this section; however the plan may establish
28 specific procedures designed to expedite approval for policies covering
29 sinkhole loss and premiums charged therefor shall be based only on the
30 risk for sinkhole loss applicable to such property. The plan may
31 establish specific claims investigation procedures for sinkhole losses
32 necessary to determine whether any claimed loss was the result of
33 sinkhole activity rather than due to some other form of earth
34 subsidence not covered under the policy.

Bill ✓

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